

EDITORIAL

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IN OUR OPINION

It's time to kick the auto insurance industry's tires

Gov. Jennifer Granholm thinks the time is ripe to re-regulate Michigan's auto insurers, and the 10 recommendations her administration outlined this week include some reforms that are sensible on their face, even if (as the industry contends) they will have relatively little impact on auto rates.

For instance, it's hard to see how anyone could object to insurance consumer advocate Butch Hollowell's suggestion that insurers be required to publish proposed rate hikes (and the plain-English justification for them) on a state Web site, or that state insurance commissioners be barred from taking a job with any insurance company for at least two years after leaving office. Other no-brainers: prohibiting insurers from selling personal information without a policyholder's consent, and cracking down on companies that raise rates or cancel coverage when a policyholder submits a claim for an accident in which the policyholder is not at fault.

Other proposals, including one that would bar insurers from mak-

ing credit scores a factor in rate-setting, deserve closer study. It would seem a move toward more fairness. But without other measures, it wouldn't necessarily erase the horrible imbalance in rates being paid in cities like Detroit, where even responsible policyholders can't catch a break.

Republican lawmakers, who've long reciprocated the insurance industry's generosity toward their party, are already circling their wagons. A spokesman for state Senate Majority Leader Mike Bishop, R-Rochester, says the reforms Granholm proposes contravene her stated ambition to make Michigan more business-friendly. State Sen. Alan Sanborn, R-Richmond, called plans for tighter regulation of insurers "a step toward socialism."

That might sound scarier if the entire financial industry weren't already smoldering in the wreckage of its own, unregulated excesses. And if Michigan's no-fault auto insurance system is working as well as insurers claim, the industry has nothing to fear from this overdue review of its practices.

P.S. DENNIS BLAIR, a retired Navy admiral, is President Barack Obama's choice to be Director of National Intelligence. So if the nation does something stupid, blame him.